

# Foreign trade policy 2021-26 to focus on MSMEs, new export potential

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- **Online data will be available to govt, industry; will help domestic producers analyse market potential for goods.**

The central government is devising a mechanism to step up screening imports to protect domestic manufacturers.

The details of the online monitoring system may find mention in the foreign trade policy 2021-26, which will kick in next month.

The online system will make the data available to the government as well as industry about the countries from where the goods are being imported, and their quantity and quality.

The data can help domestic producers analyse the market potential for such goods, said a senior government official.

In the past 16 months, the government had implemented a steel- and coal-import monitoring system.

Under the system, advance registration of inward shipment is required. It was seen as one of the steps to facilitate reducing the import of these commodities, while also giving an opportunity to industry to step up value-added exports, in line with Prime Minister Narendra Modi's push towards a self-reliant India.

"Such a monitoring system could be expanded to other sectors and could find a mention in the upcoming foreign trade policy," the official told Business Standard.

In December, the commerce ministry had said such a system was being developed also for aluminium, copper, footwear, furniture, paper, sports, goods, and gym equipment.

Along with this, the upcoming foreign trade policy will focus on promoting micro, small, and medium enterprises as well as e-commerce exports.

There could also be greater categorisation of products into various harmonised systems of nomenclature (HSN) to check unnecessary imports and those of poor quality.

"For instance, some products are fitted into the 'others' category because they are not categorised under any HSN code. The upcoming policy aims to fix this issue," the official cited above said.

Besides, the policy will identify new sectors that have export potential, he added.

The foreign trade policy comes in the backdrop of a massive disruption in global trade over the past one year due to the Covid-19 pandemic.

According to the latest data released by the commerce and industry ministry, India's merchandise exports were \$27.93 billion in February, clocking a marginal growth rate of 0.67 per cent year-on-year (YoY). During the first 11 months of the current fiscal year, merchandise exports contracted 12 per cent YoY at \$256.18 billion.

Similarly, imports also declined by 23.11 per cent to \$340.80 billion.

Last year, the government had extended the foreign trade policy 2015-20 till March 31, 2021, owing to the pandemic outbreak and a subsequent nationwide lockdown.